

A STEEL AND WIRE BREAK

An Announcement by the Directors Produces the Pressure.

A Statement to the Effect That Prices on One-third of the Company's Finished Output Have Been Advanced So as to Restrict Demand Causes Fresh Selling of the Stocks.

NEW YORK, April 21.—The formal acknowledgment by the directors of the American Steel and Wire Company that prices for about a third of its output of finished product had been advanced and held at figures that have restricted the demand for them, influenced fresh selling of all of the wire and steel stocks today. The speculative community did not stop to reason about the matter nor, indeed, did it inform itself thoroughly as to all of the facts.

It appears that some of the concerns, which were announced on Monday by the chairman of the company, having been suddenly ordered to shut down, have been closed for some time. The market for wire nails is overstocked because builders have found that the old-fashioned cut nails are preferable to wire nails for various purposes, notably for out-door construction, and particularly for shingling. This circumstance has reduced the demand for one product of the company. Besides, wire and wire fencing have been held at prices that have restricted the demand for them. As a matter of fact, the schedules of iron prices, both for pig iron and for manufactured goods, have been so high for some time that they have stifled the demand. A reaction is, therefore, likely to stimulate business.

The trouble with the steel and wire industry is that it has been reluctant to believe in a reaction in the iron industry. It has preferred to accept, without questioning, the pessimistic views of the industry by those who are engaged in it, and who are obviously bent upon maintaining permanently high prices for iron and for the securities of companies based upon the production and manufacture of iron. These circumstances do not justify the former policy of the American Steel and Wire Company, or the action of the chairman in making a sensational announcement last Monday of the closing of a third of the plants of the company.

On sales of about 50,000 shares Steel and Wire common closed 5-8 lower last yesterday. The preferred stock on sales of less than 10,000 shares, however, was held at 1-2 a share. The break in these stocks demoralized the entire list. Federal Steel, Missouri Pacific, Brooklyn Rapid Transit, and many other stocks were sold at a loss of 2 points or more. The trading was fairly heavy for a Saturday half holiday. The weekly statement of average prices of the company's products was more favorable than had been expected, the gain in lawful money being over \$8,000,000.

An increase of \$5,000,000 in loans can hardly be attributed to stock exchange operations. There is again a wide discrepancy in the deposits. They are about \$2,000,000 smaller than the sum of the increase in the loans. The net result brings the surplus reserve up to nearly \$15,000,000. The indications are that from this time on the banks will not gain much money from the stock exchange, as the disbursements of the Government in connection with the refunding of the bonds are falling off. At the same time the foreign exchange market is approaching the gold exporting point.

New York Stock Market.

Corrected daily by W. B. Hibbs & Co., members of the New York Exchange, 1419 F Street.

Open.	High.	Low.	Close.
American S. & W.	104 1/2	104 1/4	104 1/2
A. S. W.	77 1/2	77 1/4	77 1/2
American Sugar	104 1/2	104 1/4	104 1/2
American Tobacco	104 1/2	104 1/4	104 1/2
Atchafalca	70 1/2	70 1/4	70 1/2
Atchafalca	70 1/2	70 1/4	70 1/2
B. & O.	88 1/2	88 1/4	88 1/2
B. & O.	88 1/2	88 1/4	88 1/2
Brooklyn Rapid Transit	70 1/2	70 1/4	70 1/2
Chesapeake & Ohio	70 1/2	70 1/4	70 1/2
C. & C. & St. L.	62 1/2	62 1/4	62 1/2
Chicago, R. & N.	17 1/2	17 1/4	17 1/2
Chicago Gas	104 1/2	104 1/4	104 1/2
C. & St. P.	12 1/2	12 1/4	12 1/2
Cl. & Great Western	32 1/2	32 1/4	32 1/2
C. F. I.	41 1/2	41 1/4	41 1/2
Continental Tobacco	29 1/2	29 1/4	29 1/2
Continental Tobacco	29 1/2	29 1/4	29 1/2
Delaware & Hudson	110 1/2	110 1/4	110 1/2
Federal Steel	42 1/2	42 1/4	42 1/2
Federal Steel	42 1/2	42 1/4	42 1/2
General Electric	104 1/2	104 1/4	104 1/2
Illinois Central	112 1/2	112 1/4	112 1/2
Louisville & Nashville	14 1/2	14 1/4	14 1/2
Metropolitan Traction	20 1/2	20 1/4	20 1/2
Manhattan Elevated	94 1/2	94 1/4	94 1/2
Missouri Pacific	18 1/2	18 1/4	18 1/2
N. E. & T.	28 1/2	28 1/4	28 1/2
National Lead Co.	22 1/2	22 1/4	22 1/2
New Jersey Central	121 1/2	121 1/4	121 1/2
New York Central	104 1/2	104 1/4	104 1/2
N. Y. Ontario & Western	24 1/2	24 1/4	24 1/2
Norfolk & Western	24 1/2	24 1/4	24 1/2
Norfolk Pacific	24 1/2	24 1/4	24 1/2
Pacific Mail	12 1/2	12 1/4	12 1/2
Penn. Railroad	104 1/2	104 1/4	104 1/2
Reading	62 1/2	62 1/4	62 1/2
Southern Railway	4 1/2	4 1/4	4 1/2
Southern Railway	4 1/2	4 1/4	4 1/2
Texas	20 1/2	20 1/4	20 1/2
Tenn. Coal & Iron	57 1/2	57 1/4	57 1/2
Union Pacific	15 1/2	15 1/4	15 1/2
U. S. Leather	11 1/2	11 1/4	11 1/2
U. S. Leather	11 1/2	11 1/4	11 1/2
U. S. Rubber	12 1/2	12 1/4	12 1/2
Wabash	22 1/2	22 1/4	22 1/2
Western Union	82 1/2	82 1/4	82 1/2

The stock market during the past week has been dominated largely by the steel and wire situation, and especially by the disclosures of facts and figures regarding the American Steel and Wire Company and the arch conspirator of that concern, Mr. W. G. Gates. At the very beginning of the week there was the tumble in prices in the steel group, followed by the announcement that the wire company's plants were being shut down for a lack of demand for their products. For a time, during the latter days of the week, it seemed probable that the effect of these disclosures would work out shortly, as far as the general market was concerned, and that the close might be strong. On Friday, however, the special meeting of the wire people was held, and far as came to light Mr. Gates was not thrown out of the company and nothing very important was accomplished to rehabilitate the concern in the eyes of the public. At any rate, the street considered the lack of news a bearish item in the situation, and yesterday the steel group was particularly weak again, opening off from a point to two points, and continuing the down grade, practically all day. The close was at a heavy net loss for the day and for the week. This weakness in the group also affected the general market badly. Despite a most encouraging bank statement, showing a fine increase in cash of \$7,000,000 and an increase in reserves of more than half that amount, the stock market was all the more depressed. The most immediate technical market factors are un-

favorable. The result will be an interesting feature of the week, but it seems certain that for a time business will be much smaller on account of the fright of the public by the Gates operation. It is probable that the price will be irregular, up in some quarters, and off in others. Securities should not be bought except on sharp breaks. The short side, however, will not be held to careful people, who understand the inherent great strength of the situation, the important interests in the market, and the certainty that in the near future the advance in prices must be again.

The bank statement figures were as follows: Reserves increased.....\$3,444,675 Loans increased.....5,800,000 Specie increased.....4,500,100 Legal increased.....1,420,390 Deposits increased.....8,200,000 Circulation increased.....200,000

The bears always have some argument, however flimsy, to offset good news, and held at figures that have restricted the demand for them, influenced fresh selling of all of the wire and steel stocks today. The speculative community did not stop to reason about the matter nor, indeed, did it inform itself thoroughly as to all of the facts. It appears that some of the concerns, which were announced on Monday by the chairman of the company, having been suddenly ordered to shut down, have been closed for some time. The market for wire nails is overstocked because builders have found that the old-fashioned cut nails are preferable to wire nails for various purposes, notably for out-door construction, and particularly for shingling. This circumstance has reduced the demand for one product of the company. Besides, wire and wire fencing have been held at prices that have restricted the demand for them. As a matter of fact, the schedules of iron prices, both for pig iron and for manufactured goods, have been so high for some time that they have stifled the demand. A reaction is, therefore, likely to stimulate business.

The trouble with the steel and wire industry is that it has been reluctant to believe in a reaction in the iron industry. It has preferred to accept, without questioning, the pessimistic views of the industry by those who are engaged in it, and who are obviously bent upon maintaining permanently high prices for iron and for the securities of companies based upon the production and manufacture of iron. These circumstances do not justify the former policy of the American Steel and Wire Company, or the action of the chairman in making a sensational announcement last Monday of the closing of a third of the plants of the company.

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W. A. Porterfield, well known in Washington as the president of Staley & Co. and the forerunner of Murphy & Co. in the big brokerage office in Fifteenth Street is to open for business again tomorrow at 1135 F Street, where Mr. B. F. Wood has been located recently. Mr. Wood has sold out to Mr. Porterfield and will retire to engage in other business. Mr. Porterfield has a great many friends among the speculative fraternity and they will all be glad to see him back in business again. It is remembered that when he closed his place two years ago he refused to "fail," but paid up every Washington creditor in full.

Washington Stock Exchange. Sales: Columbia 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 850, 851, 852, 853, 854, 85